



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



APRIL 26, 1999

Some Progress Reported In U.S.-China WTO Talks. Assistant U.S. Trade Representative, Robert Cassidy, extended his departure date from China at least through Monday (April 26) to continue negotiations over China's entry into the 134-member World Trade Organization (WTO), the body that governs global trading. Following the meeting, China's leading WTO negotiator, Long Yongtu, mentioned that the talks were "constructive" and "beneficial to both sides" but did not provide further details. The meeting by Cassidy and the team of three other U.S. negotiators came on the heels of a recent U.S. visit by Chinese Premier, Zhu Rongji. That visit failed to produce a market-opening agreement, which led to Cassidy's Beijing meetings, an attempt to avert a lost opportunity for future trading. A group of European Commission officials was also expected to arrive in Beijing on Monday to begin WTO talks of its own, lasting possibly 2 weeks or more. This European Union (EU) contingent would be followed by other negotiating groups from countries such as Australia and Japan, also seeking bilateral negotiations. According to one source, the EU negotiators will benefit from knowing what China has already been willing to offer during U.S. negotiations. "The United States missed a very good chance to strike a deal with China on WTO during Premier Zhu's visit...", according to Xinhua, China's official news agency. To complicate matters, a recent *Wall Street Journal* report states that other U.S. trading partners, such as Japan, Germany, and Britain, are upset that the U.S. is seeking "special protectionist privileges" in its negotiations with China. Along these lines, other reports also state that it would be necessary for Congress to amend current laws calling for an annual review of China's trade status since WTO rules require normal trading among all its members. Discussions over this annual trade status renewal for China will begin in June. Chinese negotiator, Long Yongtu, said, "China and the United States will continue their talks...in the future," but did not indicate when or where. China, a founding member of the General Agreement on Tariffs and Trade (GATT), the predecessor to the WTO, left following the 1949 Communist revolution. (*Reuters* 4/22-25, *Wall Street Journal* 4/23, *Washington Times* 4/27)

Ocean Freight Rates Increase. Increasingly hopeful that the Asian economy is beginning to improve, Taiwan shipping agents have reported that the demand for grain is increasing, leading to increased grain shipping rates for Panamax-size vessels from the U.S. Gulf of Mexico to Japan and the U.S. Pacific Northwest (PNW) to Japan. As of last week, rates quoted in Asia for the Gulf to Japan were US\$15.39 per metric ton, compared to US\$14.94 per metric ton for the previous week. Likewise, rates from the PNW to Japan were US\$8.99 last week, compared to US\$8.59 for the previous week. (*Reuters* 4/22)

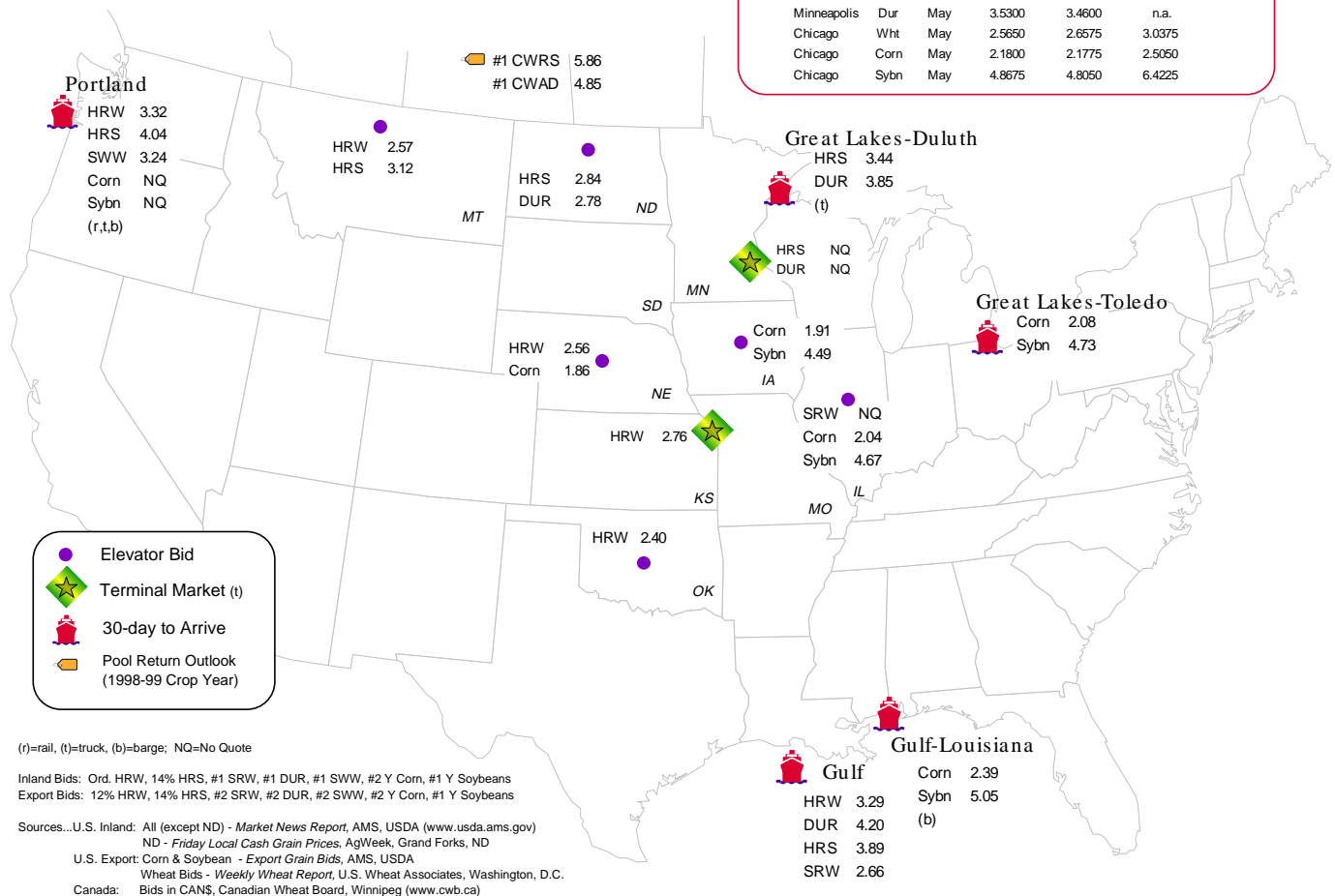
Crop Insurance Proposal. U.S. Representatives Earl Pomeroy (D-ND), John Thune (R-SD), David Minge (D-MN), and Leonard Boswell (D-IA), late last week, proposed legislation making it less expensive for farmers to buy higher levels of crop insurance, but more expensive for only minimal coverage. The bill, called the Crop Insurance Improvement Act, is very similar to legislation introduced in the Senate in March and would use \$6 billion that had been set aside for crop insurance reform. The program would encourage farmers to buy more crop insurance, since more coverage may be purchased at a lower rate. Under the current program, for example, the government will pay 23 percent of the premium to producers insuring 75 percent of their crop. That is, an income based on 75 percent of the normal yield will be guaranteed. The bill would increase the amount of the premium subsidized from 23 to 55 percent. At lower levels of coverage, such as 50 percent, the subsidy would decrease from the current 55 percent down to 45 percent. The plan would help producers facing multiyear disasters, allowing them to exclude those disaster years when determining coverage levels. It would also provide more accessible coverage for new and alternative crops as well as for increased acreage, and would provide coverage for livestock. (AP 4/23)

Midwest Continental Grain Terminal May Close. Continental has contacted the Wisconsin State Department of Workforce Development concerning plans to close its terminal at Milwaukee harbor, possibly as early as May 5. The port terminal is one of 83 Continental facilities used to store, trade, or transport grain, being purchased by Cargill. Concerned area farmer, Lee Kissinger, states, "...what it means is higher shipping costs, and with the price of grain today, something like this can really hurt." Grain shipped from Milwaukee is destined for Europe. Alternative shipping points include Chicago and points along the Illinois River that barge grain to New Orleans for export. (*Knight-Ridder* 4/23)

This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Nick_Marathon@USDA.gov.

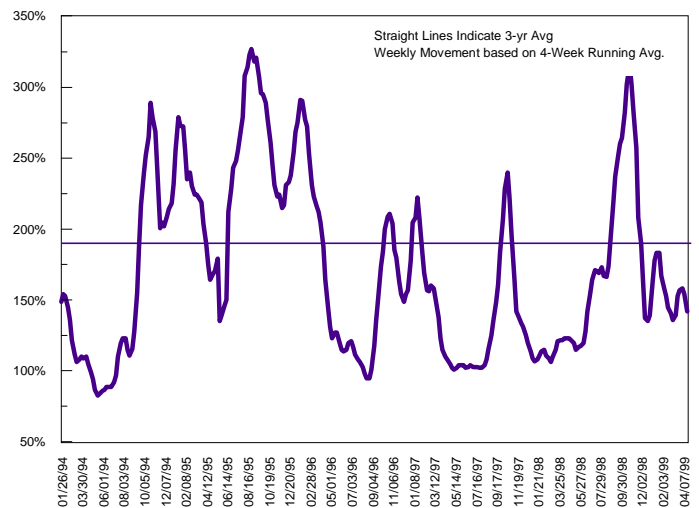
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Grain Bid Summary

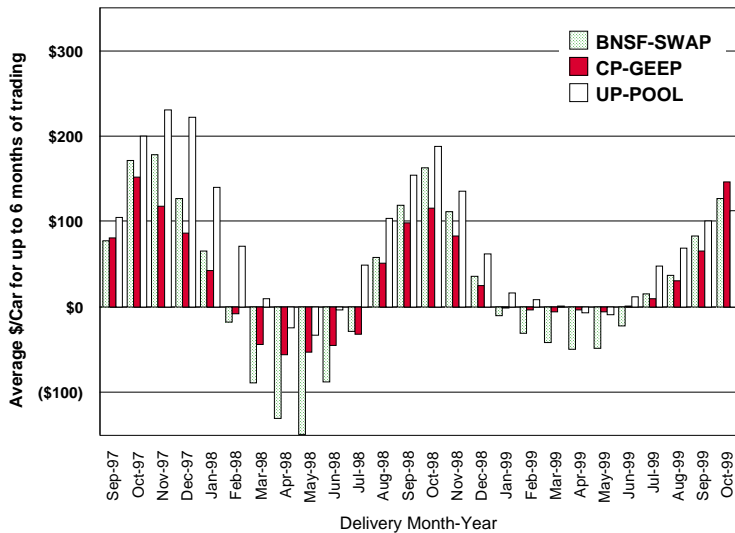


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids

See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings

Delivery for:	Jun-99		Sep-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,543	22%	9,500	13%
UP-GCAS	5,400	22%		
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-99	Jun-99	Jul-99	Aug-99
BNSF-GF	\$(54)	\$(36)	\$(11)	\$27
CP-GEEP	\$1	\$(1)	\$12	\$38
UP-Pool	\$(10)	\$8	\$47	\$74

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	May-99	Jun-99	Jul-99
COT/N. Grain	no bid	no bid	
COT/S. Grain	no bid	\$4	
GCAS/Region 2	no bid	no bid	
GCAS/Region 4	no bid	no bid	

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
4/22/99	Twin Cities	May/Jn/Jl	140
	Illinois River	twk & nwk	130
		May/Jn	125
	Lower Ohio River	wks 4/25-5/2	95
	Mid Miss	nwk	140
		May/Jn/Jl	140
	St. Louis	twk	95
		August	125
		Sept.	160

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

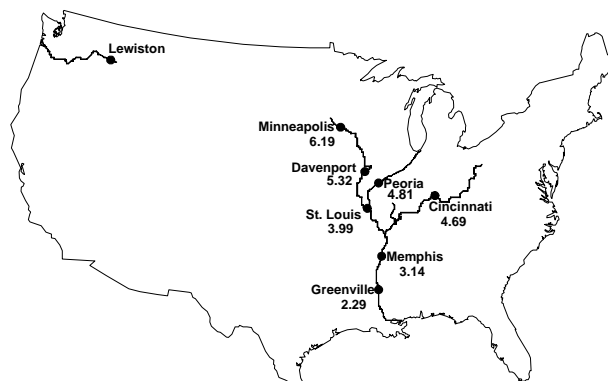
twk=this week

nwk=next week

on tow=ready to be loaded

Southbound Barge Freight Spot Rates

	4/22/99	4/14/99	May '99	July '99
Twin Cities	183	190	173	179
Mid-Mississippi	146	152	142	149
Illinois River	134	140	133	138
St. Louis-Cairo	100	101	108	110
Lower Ohio	98	101	103	118
Cairo-Memphis	95	98	98	106

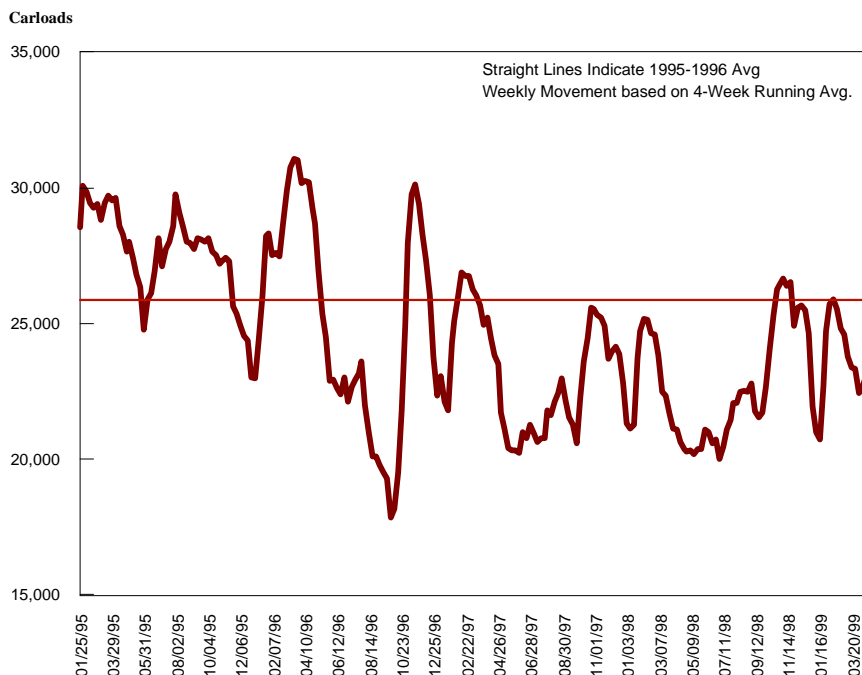
Source: Transportation & Marketing /AMS/USDA
nq- no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/3/99	21,846
4/10/99	23,291
4/17/99	24,308
Year to Date - 1999	361,067
Year to Date - 1998**	345,190
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

	Conrail	CSXT	East		West		Canada	
			IC	NS	BNSF	KCS	UP	CN CP
04/17/99	720	2,655	1,697	2,440	8,592	937	7,267	2,349 3,390
This Week Last Year	560	2,705	1,157	2,493	7,657	499	5,732	1,912 4,554
1999 YTD	11,872	38,723	21,491	38,301	124,351	11,078	115,251	29,457 45,264
1998 YTD*	11,102	37,422	19,503	38,663	131,075	10,172	97,253	40,923 65,939
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428 272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714 181,387

Source: American Association of Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

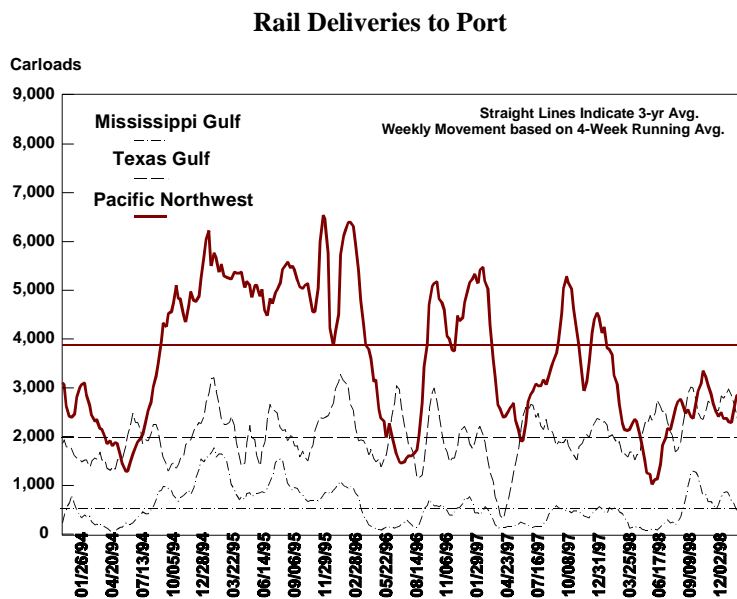
April 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
03/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
03/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
03/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
03/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
03/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
03/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
03/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
03/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
03/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

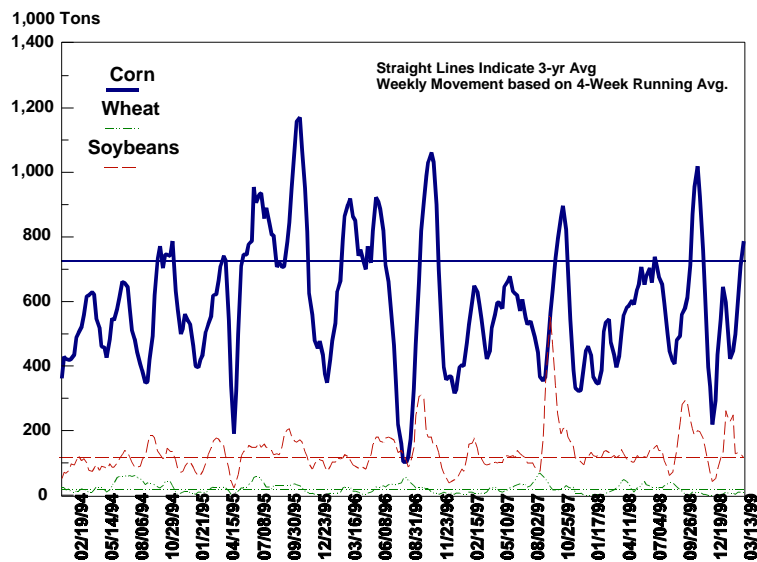
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/03/99	606	2,061	3,190	179
03/10/99	334	1,947	3,324	846
03/17/99	654	2,342	2,426	390
03/24/99	178	1,816	2,349	85
03/31/99	237	1,924	3,250	164
04/07/99	225	1,798	2,772	677
YTD 1999	8,144	34,597	36,570	5,661
YTD 1998	6,691	29,904	53,022	4,586
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



***Note:** Due to technical difficulties, this data has not been changed.
We hope to correct this problem soon. Thank you.

Barge Movements - Locks 27



Barge Grain Movements

for week ending 04/17/99

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	410	9	75	494
Winfield, MO (L25)	577	9	90	676
Alton, IL (L26)	973	21	127	1,123
Granite City, IL (L27)	941	20	130	1,104
Illinois River (L8)	383	3	51	438
Ohio (L52)	37	0	5	72
Arkansas (L1)	0	13	4	17
1999 YTD	9,003	724	2,065	12,976
1998 YTD	6,762	369	2,315	10,693
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/15/99	1,432	656	1,079	503	129	3,798	7,488	2,491	13,777
This Week Year Ago	1,039	263	1,104	550	178	3,135	5,625	1,671	10,431
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	9,041	1,996	5,610	4,896	881	22,423	29,040	17,060	68,523
97/98 YTD	8,778	4,536	5,432	4,993	1,147	24,885	23,666	17,713	66,264
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
04/22/99	256	174	8	125	698	168	268	0	4
1999 YTD	3,400	2,510	75	1,817	10,610	5,326	2,154	208	603
1998 YTD *	2,995	2,400	348	1,850	8,177	6,265	1,939	96	474
% of Last Year	31%	57%	12%	36%	34%	36%	30%	37%	43%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

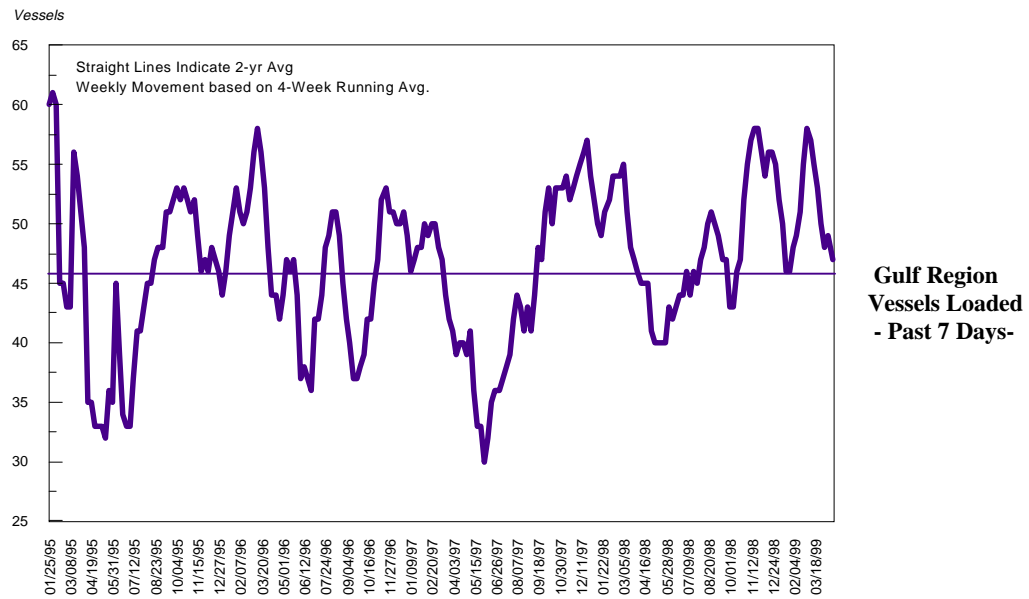
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

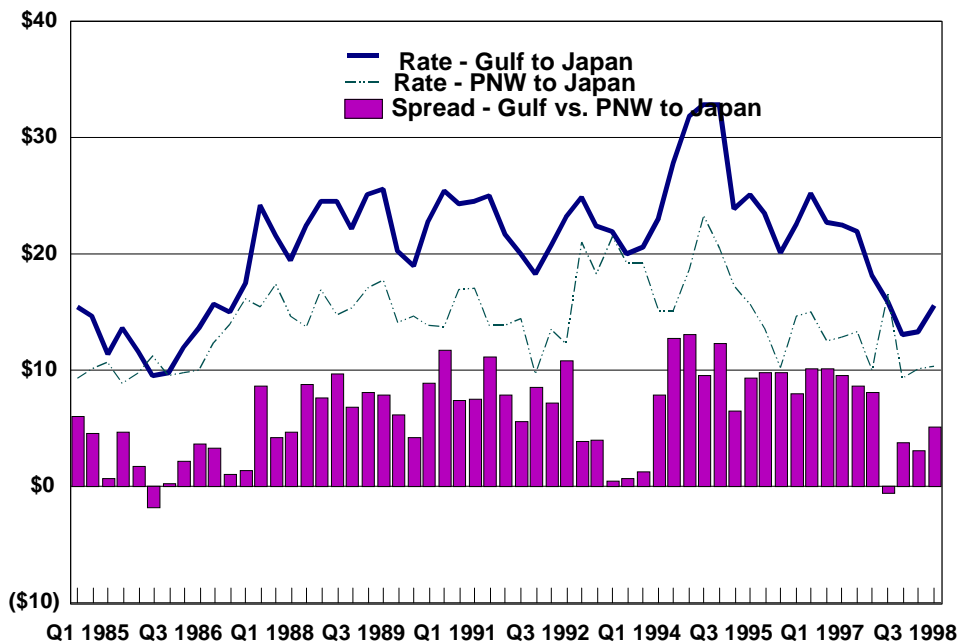
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 04/15/99			
Vancouver	3,318	723	269
Prince Rupert	1,224	7	0
Prairie Direct	651	360	719
Thunder Bay	299	93	114
St. Lawrence	1,586	1,227	0
1999YTD Exports	7,078	2,410	858
1998 YTD Exports	12,491	3,050	801
% of Last Year	57%	79%	107%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago **
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded <u>7-Days</u>	Due Next <u>10-Days</u>	In Port	Loaded <u>7-Days</u>	Due Next <u>10-Days</u>	In Port	Loaded <u>7-Days</u>	Due Next <u>10-Days</u>
04/15/99	21	50	62	10			11	10	4
04/22/99	14	44	68	12			13	16	2
1998 Range	(19..62)	(34..64)	(40..93)						
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 1 st Qtr	1998 1 st Qtr	% Change		1999 1 st Qtr	1998 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$15.62	\$18.24	-14%	Japan	\$10.41	\$10.08	3%
Mexico	\$14.22	\$12.15	17%	Red Sea/ Arabian Sea	\$45.81		
Venezuela	\$11.33	\$11.13	2%				
N. Europe	\$12.16	\$9.85	23%	Argentina to			
N. Africa	\$17.12	\$14.65	17%	N. Europe	\$14.55	\$12.32	18%
				Japan	\$21.35	\$20.93	2%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 04/24/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Costa Rica	Heavy Grain	May	23,300	\$15.50
Gulf	Dominican Rep.	Heavy Grain	April/May	22,000	\$9.75
Gulf	Colombia	Wheat/Corn	April	30,000	\$15.50
Gulf	Fr. Atlantic./So. Atl.	Grains	April/May	40,000	\$14.00
Gulf	Rotterdam	Grains	April/May	25,000	\$11.50
Gulf	Tunisia	Corn	Prompt	25,000	\$17.00
Gulf	Japan	Heavy Grain	May/Jn/Jl/Aug/Sep	54,000	\$14.25-15.65
Brazil	Morocco	Heavy Grain	May	24,000	\$20.25
Argentina	Norway	Heavy Grain	Spot	25,000	\$22.25
No. France	Saudi Arabia	Barley	April	50,000	\$12.50

Source: Maritime Research Inc.